



SO ORDERED.

SIGNED this 23rd day of July, 2019.


LENA MANSORI JAMES
UNITED STATES BANKRUPTCY JUDGE

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE MIDDLE DISTRICT OF NORTH CAROLINA
WINSTON SALEM DIVISION**

IN RE:)	
Product Quest Manufacturing, LLC)	Case No. B-18-50946C-7W
Debtor)	

**ORDER GRANTING TRUSTEE'S AMENDED
MOTION TO EMPLOY NEXSEN PRUET, PLLC, AS SPECIAL COUNSEL**

THIS MATTER coming on for hearing, upon proper notice, before the Honorable Lena M. James, Bankruptcy Court Judge for the Middle District of North Carolina, on July 12, 2019, upon the Motion to Employ Nexsen Pruet, PLLC, as Special Counsel filed herein by Trustee on May 13, 2019, as amended by the First Amendment to Motion to Employ Nexsen Pruet, PLLC, as Special Counsel, filed herein by Trustee on July 1, 2019 (the "Amended Motion to Employ").

Present at the hearing were Trustee C. Edwin Allman III; Attorney Matthew Patrick Weiner representing Madison Capital Funding, LLC, for itself and as agent for the lender group ("Madison"); and Bankruptcy Administrator William P. Miller.

The Court, having heard from Trustee and considering the record, makes the following findings:

1. In the Amended Motion to Employ, Trustee sought authority to employ Nexsen Pruet, PLLC ("Nexsen Pruet") as special counsel for the purpose of performing an investigation, including the preparation of an investigative report and, if appropriate

and authorized, pursuing various claims against the former officers and/or owners of this Debtor and associated Debtors¹ (the "D&O Claims").

2. In the Amended Motion to Employ, Trustee sought authority to pay the hourly fees of Nexsen Pruet for the initial investigation and preparation of a report regarding the D&O Claims as well as expenses incurred and approved by Trustee and Madison in both the investigation and pursuit of the D&O Claims from cash collateral in an amount not to exceed \$47,500.00 (the "Investigation and Expense Fund"). The Amended Motion to Employ sought authority to repay Madison, without interest, for any amount actually disbursed from cash collateral for the Investigation and Expense Fund from net proceeds arising from the settlement or other disposition of any D&O Claims asserted by Nexsen Pruet.

3. Madison also agreed that the decision whether to pursue claims or resolve claims is solely vested in the Trustee and subject only to constraints that may naturally arise from the Bankruptcy Administrator's Office and the Court; and, Madison, as well as all other creditors, would have the right to be heard on any motion filed the Trustee pertaining to the D&O Claims, including motions to compromise.

4. Trustee's Amended Motion to Employ also sought authority to pay to Nexsen Pruet a one-third (1/3) contingency fee of any recovery from their pursuit of any of the D&O Claims.

5. On July 8, 2019, the Bankruptcy Administrator filed a Response to the Trustee's Amended Motion to Employ Nexsen Pruet stating that he had no objection to the Trustee's Amended Motion to Employ Nexsen Pruet (the "BA Response").

NOW, THEREFORE, based on the foregoing and for other good and sufficient cause shown, it is hereby

ORDERED that:

1. The Amended Motion is granted;

¹ Individually named as follows: Ei LLC (Case No. B-18-50945C-7W); Product Quest Manufacturing, LLC (B-18-50946C-7W); Scherer Labs International, LLC (B-18-50948C-7W); Product Quest Logistics, LLC (B-18-509450C-7W); JBTRS, L.L.C. (B-18-50951C-7W); and, PQ Real Estate LLC (B-18-50952C-7W). Hereinafter collectively referred to as "PQM Cases."

2. The Trustee is authorized to employ Nexsen Pruet, PLLC, to serve as Special Counsel for the purpose stated herein and in the Amended Motion to Employ;

3. Trustee is authorized to pay to Nexsen Pruet any court approved fees and expenses up to but not exceeding \$47,500.00 from the cash collateral; and,

4. Trustee is authorized to repay to Madison any amount disbursed for the Investigation and Expense Fund, without interest, from net proceeds received by the bankruptcy estate for the pursuit of the D&O Claims by Nexsen Pruet either through litigation or settlement.

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PARTIES OF INTEREST:

All parties named in the Service List filed by the Trustee with the court on June 10, 2019 [*docket #503*] in the manner set forth in said document.